

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

2F

Foreign

CROPS AND MARKETS



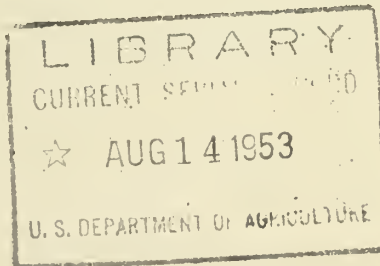
VOLUME 67

NUMBER 6

CONTENTS

FOR RELEASE
MONDAY
AUGUST 10, 1953

	PAGE
COTTON AND OTHER FIBER	
Cotton Imports Into U.K. Through Private Accounts Rise....	109
Cotton Acreage Increased in India.....	111
FATS AND OILS	
Pakistan's 1952-53 Sesame Crop Up Slightly.....	105
Finland to Import 22,000 Tons of Chinese Soybeans in 1953.....	108
Sweden's 1953 Rapeseed Crop Expected Down Sharply.....	107
U.K. Modifies Import Regulations for Edible and Technical Tallows.....	107
Nigeria's 1952-53 Peanut Crop at New High; Palm Oils Up.....	110
GRAINS, GRAIN PRODUCTS AND FEEDS	
Grain Trade Notes.....	102
Canada's Grain Acreage Shows Some Reduction.....	103
Spanish Rice Crop Outlook Favorable.....	105
LIVESTOCK AND ANIMAL PRODUCTS	
New Zealand-U.K. 1953-54 Meat Prices.....	108
Cuban Ceiling Price on Beef Lowered.....	107



UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

L A T E N E W S

The Government of Egypt amended its cotton trade regulations as of July 30 to reduce the amount of old-crop cotton that the Cotton Commission would be required to purchase. The Commission's buying price for cotton from 1951-52 or previous crops will remain indefinitely at the August 1, 1953, level of 58 tallaris per cantar (33.46 cents a pound) for Good Grade Karnak and 50 tallaris (28.85 cents) for Ashmouni. Under the previous law the price would have been increased by one tallari (.58 cent) on December 1 and another tallari on February 1, 1954, to the end of August.

A second amendment permits merchants to sell cotton from 1952-53 or previous crops direct to local mills or for export without obtaining sales certificates showing that the cotton had passed through the hands of the Commission. This amendment is effective only for contracts entered into prior to August 1, 1953.

The Commission now holds around 600,000 bales (of 500 pounds gross) of cotton and up to July 13, 1953, a loss of about £8,000,000 (\$22,856,800) had been incurred on operations covering the 1952-53 crop. An additional loss of around £25,000,000 (\$71,427,500) may be expected if stocks from previous crops are sold at the current price level.

FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to persons in the U.S. needing the information it contains in farming, business and professional operations.

Foreign Crops and Markets is distributed only upon a request basis. Should you find you have no need for this publication, please tear off the addressograph imprint with your name and address on the enclosing envelope, pencil "drop" upon it, and send it to the Foreign Agricultural Service, Room 5922, U.S. Department of Agriculture, Washington 25, D. C.

GRAIN TRADE NOTES

DANISH - U.S.S.R. TRADE AGREEMENT: A protocol, signed in Copenhagen on July 17, 1953, covering trade between Russia and Denmark up to an annual value of 145 million kroner both ways, has been reported as including a Russian commitment to send Denmark 50,000 metric tons of wheat during 1953-54 (July-June) in addition to oil cake, soybeans, cotton, timber, pig iron, asbestos and other products. Denmark in turn is assured a market in Russia for specified quantities of butter, pork, and industrial products.

SPANISH 1953-54 WHEAT IMPORT REQUIREMENTS: Due to a short 1953 wheat crop and low reserve stocks, the Spanish Government estimates the country's 1953-54 wheat import requirements at a minimum of 744,000 metric tons without resort to rationing. (See also Foreign Crops and Markets of July 20, 1953)

The National Wheat Service as of July 13, 1953 had programmed its 1953-54 import requirements as follows: Balance of IWA (1952-53) 34,800 metric tons; from Sweden, 60,000 tons; from the United States to be purchased by bids, 30,000 tons; from Canada, to be purchased by bids, 170,000 tons; from Turkey, under a trade agreement (signed in late June), 200,000 tons; IWA allocation for 1953-54, 145,000 tons; from Sweden in exchange for sugar and partial cash payment, 30,000 tons; and an additional request for 1953-54 IWA quota, 74,000 tons; total, 743,800 tons.

At the recent session of the International Wheat Council in London, a request by Spain for a quota increase of 105,000 metric tons was approved. This brings the total quota for Spain in the renewed IWA up to 250,000 tons.

ARGENTINE WHEAT SALE TO UNITED KINGDOM: The recent sale of 80,000 metric tons of Argentine wheat by IAPI to the United Kingdom at £ 29.5.0 to £ 29.10.0 per metric tons (\$2.24 to \$2.26 per bushel) c.i.f. English ports, was reported to be part of a barter deal involving hessian cloth from India, with the bulk of the compensation going to England in the form of wheat. Information with respect to the price paid for the hessian cloth is not available.

GERMAN-ARGENTINE TRADE NEGOTIATIONS: The Argentine Press reported in July that negotiations were practically completed for the sale to Germany of 800,000 metric tons of grain, including 500,000 tons of wheat. In compensation, Argentina is to receive various industrial products from Germany, it was stated.

BOLIVIA PURCHASES ARGENTINE WHEAT: Recent bids for wheat, conducted by the Bolivian Ministry of Economy, have resulted in acceptance of an offer of the Argentine Trade Promotion Institute (IAPI) to supply 10,000 metric tons of Necochea No. 2 at U.S. \$86.50 per metric ton c.i.f. West Coast port. Amerindia, a La Paz firm usually offering Canadian wheat, lost out. Consideration of bids for supplying an additional 15,000 tons was postponed until late July or early August.

(1 metric ton of wheat equals 36.7 bushels.)

ARGENTINE WHEAT FOR MEXICAN HENEQUEN: A recent report indicates that Argentina has made an offer to Mexico's National Bank of Foreign Commerce for the barter of wheat for henequen. The quantity of henequen involved was reported as including all or most of Mexico's existing surplus of 100,000 bales. The price offered is reportedly the current market price. The price asked for the wheat was said to be the price which Mexico would have to pay under the International Wheat Agreement. Under those conditions, the quantity of wheat involved could range from 50,000 to 55,000 metric tons. It is expected that at least a part of Mexico's wheat import requirements over and above its IWA transactions will be purchased from Argentina.

ARGENTINE-PARAGUAYAN TRADE NEGOTIATIONS RESUMED: Negotiations have been resumed between Argentina and Paraguay for the conclusion of a protocol to the existing trade agreement between the two countries signed in 1949. Paraguay is reported to be prepared to purchase a minimum of 70,000 metric tons of wheat and flour and unspecified quantities of other Argentine agricultural and manufactured products. Argentina, in turn, would take Paraguayan timber, fresh fruit, vegetable oils, tanning extract and other products. Paraguayan reports indicate that a total of 80,000 metric tons of Argentine wheat will be taken if price and foreign exchange problems can be resolved.

CANADA'S GRAIN ACREAGE SHOWS SOME REDUCTION

Canada's preliminary estimate of grain acreage shows a net reduction in total area under grains and an increase in land under summer-fallow, compared with 1952 acreages. Farmers' intentions as of April 30 indicated little change expected in the over-all grain acreage. Unfavorable seeding weather in parts of the grain area, however, prevented seeding plans being fully carried out. In many districts frequent rains prolonged seeding operations until mid-June or later, with a substantial proportion of the area intended for spring grains in the most seriously affected areas being diverted to summerfallow.

The tentative estimate published by the Dominion Bureau of Statistics July 29 places the current wheat acreage at 25,513,000 acres compared with intentions to plant 25,891,000 acres and the 1952 total wheat acreage of 25,995,000. Acreage of oats shows the greatest decline from the 1952 level. The current estimate of 9,830,000 acres is 7 percent below the announced intentions and 13 percent below the 1952 area. Barley acreage, at the reported 8,911,000 acres, is slightly above intentions and 5 percent above the 1952 acreage.

Of the total wheat area, approximately 24.8 million acres is spring wheat, practically all of which is grown in the Prairie Provinces of Alberta, Saskatchewan, and Manitoba. The winter wheat area of Ontario, where most of this crop is grown, is placed at 732,000 acres.

Canada: Seeded acreage of principal grain crops and land in summer-fallow, 1953 with comparisons 1/

Province and year	Wheat	Oats	Barley	Rye	Mixed Grain	Summer-fallow
	1,000	1,000	1,000	1,000	1,000	1,000
	acres	acres	acres	acres	acres	acres
<u>Quebec</u>						
1952	11	1,363	61	3	218	-
1953	11	1,380	56	3	202	-
1953 as percent of 1952	100	101	92	100	93	-
<u>Ontario</u>						
1952	2/ 687	1,732	203	75	1,129	-
1953	2/ 766	1,548	171	75	1,017	-
1953 as percent of 1952	1,111	89	84	100	90	-
<u>Manitoba</u>						
1952	2,368	1,611	2,165	55	37	2,669
1953	2,208	1,412	2,365	104	33	2,845
1953 as percent of 1952	93	88	109	189	89	107
<u>Saskatchewan</u>						
1952	16,432	3,362	2,644	742	24	12,430
1953	16,100	2,721	2,745	816	23	13,544
1953 as percent of 1952	98	81	104	110	96	109
<u>Alberta</u>						
1952	6,404	2,587	3,336	320	71	6,146
1953	6,340	2,357	3,489	460	81	6,375
1953 as percent of 1952	99	91	105	121	114	104
<u>Other Provinces</u>						
1952	93	407	69	2	91	-
1953	88	412	85	5	89	-
1953 as percent of 1952	95	101	123	250	98	-
<u>Canada</u>						
1952	25,995	11,062	8,478	1,257	1,570	21,245
1953	25,513	9,830	8,911	1,463	1,445	22,764
1953 as percent of 1952	98	89	105	116	92	107

1/ Preliminary estimates for 1953.

2/ Includes winter wheat acreage remaining for harvest.

From reports of the Dominion Bureau of Statistics.

Of the total area in oats and barley this year in Canada, approximately two-thirds of the oats (6.5 million acres) and 96 percent of the barley (8.6 million acres) is in the Prairie Provinces. The preliminary acreage estimates for these crops reflect the continuation of a downward trend in the oats area, and an upward trend in barley acreage. For barley, the acreage estimate represents a new peak for the second consecutive year. There has been an active overseas demand for Canadian barley during the past 2 marketing seasons.

SPANISH RICE CROP OUTLOOK FAVORABLE

The 1953 rice crop of Spain was transplanted under favorable weather conditions and prospects indicate a larger outturn will be harvested than in 1952. The crop is forecast at around 785 million pounds of rough rice as compared with 715 million pounds a year earlier, although the planted acreage is estimated at 158,000 acres, or about the same as the 159,000 acres planted in 1952.

Fertilizers have been readily available this season, and the per acre yields of the Provinces are estimated to be higher than last year, especially in Valencia. The crop may be ready for harvesting to begin in early September.

Distribution of the 1952 harvest in terms of milled rice is estimated as follows (million pounds): consumption of Spain and Spanish African possessions, 317; exports, 137; stocks on hand - growers, 9; stocks on hand - Rice Federation, 15; total, 478.

The last rice exports of the 1952-53 season consisted of 21 million pounds to Japan on June 19, at \$10.12 per 100 pounds (\$223 per metric ton), f.o.b. Valencia. Including this cargo, the total quantity exported during the season was 137 million pounds, all to Japan. Other shipments were sold at prices ranging from \$9.98 to \$10.18 per 100 pounds (\$220 to \$224.50 per metric ton), f.o.b. New supplies are not expected to be available for export until the 1953 harvest is marketed.

PAKISTAN'S 1952-53 SESAME CROP UP SLIGHTLY

Pakistan's 1952-53 sesame seed crop totaled 40,320 short tons from 206,000 acres against 39,200 tons from 198,000 acres in 1951-52, according to a second final forecast reported by Henry W. Spielman, Agricultural Attache, Karachi. These figures are slightly revised from earlier estimates (published in Foreign Crops and Markets of February 23, 1953) as they include data for the province of Sind not previously available.

With the exception of the Bahawalpur State there has been a slight increase in the acreage of this crop throughout Pakistan. This is attributed to favorable weather and high market prices of edible oils.

FINLAND TO IMPORT 22,000 TONS OF CHINESE SOYBEANS IN 1953

Finland's purchases direct from China under the recently signed bilateral trade agreement are to include some 22,000 short tons of soybeans for import in the current year, in addition to flaxseed, peanuts, tung oil, and other commodities, according to information available to the Foreign Agricultural Service.

Processing of the 1952 turnip-rape seed crop of 19,300 tons was completed in early June 1953 and yielded over 7,000 tons of oil for the domestic margarine industry. The 1952 crop was the first crop handled domestically after completion of the farmer-owned pressing and extraction plant near Turku last fall. Processing already has started on the first shipment of soybeans to arrive from China, reportedly around 7,700 tons (see Foreign Crops and Markets of June 15, 1953, page 536). Plans also call for the installation in 1954 of a copra processing plant for the production of coconut oil.

SWEDEN'S 1953 RAPESEED CROP EXPECTED DOWN SHARPLY

Present indications are that Sweden's 1953 output of rape and mustard seed will be around 100,000 short tons, or sharply below earlier forecasts and less than half the revised 1952 estimate of 208,000 tons, according to the American Embassy, Stockholm. Although flaxseed production in Sweden also continues to decline, the latest estimate for 1953 of 8,800 tons (315,000 bushels) is somewhat above previous forecasts for the year (see Foreign Crops and Markets of May 18, 1953, page 438).

The general decline in oilseed production since 1951 has been due mainly to a shift in acreage from oil crops to breadgrains because of changed price relationships and increased occurrence of insects and diseases. The latter cause has resulted in a gradual movement of the center of oil crop cultivation toward the north where infestation is less pronounced. However, the cultivation of oil crops in central Sweden is not so attractive as in the southern areas because of lower yields and higher risk of winter damage.

NEW ZEALAND-UNITED KINGDOM 1953-54 MEAT PRICES

Prices paid New Zealand in the 1953-54 season for lamb and lamb offals by the United Kingdom under the bulk purchase contract will be $7\frac{1}{2}$ percent above current prices, while prices for mutton and mutton offal will increase $5\frac{1}{2}$ percent. Prices for beef, pork and other meat products are still under negotiation.

The negotiations for 1953-54 prices have been carried out in London exclusively by producer representatives on behalf of New Zealand, whereas in the past the Government has done the yearly negotiating with the advice of Meat Board officials. The present 7 year contract which provides for yearly price negotiation will expire in September, 1955. Under its terms notification to discuss future contracts were to be made in July of this year. The Meat Producers Board has been given the authority to open discussions on the future of the contract and these talks are proceeding concurrent with price negotiations for 1953-54. However, the future contract negotiations are being conducted on the understanding that final negotiations and decisions would be carried out at a Government-to-Government level.

CUBAN CEILING PRICE ON BEEF LOWERED

According to a decree published in the Cuban Official Gazette of July 3, 1953 the ceiling prices on beef were reduced, ranging from 1 to 5 cents per pound. A comparison between this decree and a prior decree of May 2, 1952 is shown below.

	<u>Decree July 3, 1953</u> cents per pound	<u>Decree May 2, 1952</u> cents per pound
On the hoof	12.5	13.5
Dressed	22.7	25.9
Retail: First grade	40.0	45.0
Second grade	30.0	35.0
Third grade	08.0	08.0

In conjunction with the new ceilings, the July 3 decree permits the entry of beef until September 30, 1953 free of consular fees and import duties. Benefits granted by this Decree are to be applied exclusively to beef imported in quarters, without any additional cut, and when from the United States shall be of the grade known as utility (class A or B) or commercial. Imports from the United States, Honduras, Panama and Costa Rica are expected imminently.

A decree of July 2, 1952 extends the duty-free importation of salted jerked beef to December 31, 1953.

U. K. MODIFIES IMPORT REGULATIONS FOR EDIBLE AND TECHNICAL TALLOW

The United Kingdom's Board of Trade recently announced certain changes in the licensing arrangements for the import of edible and technical tallows, according to information available to the Foreign Agricultural Service. Previous information regarding import arrangements for animal fats, effective through June 30, 1953, was published in Foreign Crops and Markets of March 2, 1953, page 177. Import arrangements for the period July 1 to December 31, 1953, previously were established by Notice to Importers No. 562, dated June 4, 1953. The new regulations (Notice No. 577) supersedes No. 562, except in the case of premier jus and oleo stock which remain unchanged as follows:

"Premier jus and oleo stock: Specific licenses will again be required for imports which may come from any source. Licenses will continue to be issued to shredded suet manufacturers (or their nominees) on the same basis used for imports during the period to June 30, 1953. An undertaking will therefore be required from importers that any premier jus or oleo stock imported will be solely for the production of shredded or block suet, and a statement will be submitted each month showing the quantity imported during the month."

The revised arrangements (No. 577), which will apply in the case of edible and technical tallow imports up to September 30, 1953, are:

"Edible Tallow: Imports will continue to be permitted under Open Individual License if originating in and consigned from the Scheduled Territories, Muscat and Oman. An undertaking will still be required that any edible tallow imported will be used solely for the production of dripping but it will no longer be necessary to submit to the Ministry of Food statements of the quantity of edible tallow imported."

"Technical Tallow: Imports will continue to be permitted under specific license if originating in and consigned from the Scheduled Territories, Muscat and Oman but licenses will be granted on the basis of one ton of imports for every two tons purchased by the applicant from Ministry of Food stocks instead of on the basis of 1 : 3. Importers may, if they wish, make separate application on Form IJB/A (Revised) for additional imports of technical tallow for which they are eligible on the basis of the revised ratio, in relation to their purchases from the Ministry of Food since 24th January, 1953."

Arrangements for edible and technical tallow imports from October 1, 1953, are:

"Edible and technical tallows will be admissible under Open General License from 1st October, 1953, if they originate in and are consigned from the Scheduled Territories, Muscat and Oman. The Scheduled Territories at present comprise the British Commonwealth (except Canada), British Trust Territories, British Protectorates and Protected States, Burma, the Irish Republic, Iraq, Iceland, Jordan and Libya.

"Applications will also be considered for the import on or after 1st October, 1953, of edible tallow and technical tallow under specific license from any country other than:-

Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, French Somaliland, Guatemala, Haïta, Honduras, Hungary, Liberia, Mexico, Nicaragua, Panama, Philippines, Tangier, United States of America, Venezuela.

"Separate applications for import licenses should be made on Form ILB/A (Revised), and sent to the Board of Trade through the Ministry of Food (Oils and Fats Division), London Road, Stanmore, Middlesex."

COTTON IMPORTS INTO U.K. THROUGH
PRIVATE ACCOUNTS TO RISE 1/

British cotton merchants and spinners individually were given a choice of buying all their supplies through the Raw Cotton Commission in 1953-54 or importing directly and entirely on their own accounts. (See Foreign Agriculture Circular FC 18-53, July 7, 1953.) Importers of cotton in Groups I, II, and IV were required to make their choices known in writing by July 11, 1953, but those importing Group III cotton have until September 1, 1953.

A summary of the options made by importers has been announced by the Minister of Materials as follows:

About 61 percent of American-type cotton purchases will be made privately compared with 35 percent last year, with the remainder being purchased by the Raw Cotton Commission. Private purchases will account for about 40 percent of imports of Egyptian-type cotton and 83 percent of West Indian Sea Island, compared with 15 percent and 64 percent, respectively, in 1952-53 (September-August). The over-all percentage of private purchases should represent about 56 percent of total purchases compared with 30 percent last year. Options for Group III cotton (Peruvian and Californian) will not be made until October for calendar year 1954. Private purchases are expected to account for about 36 percent of total purchases in 1953.

The Ministry of Materials has issued a statement that there are no negotiations in progress by the Commission for purchases of Brazilian cotton in refutation of British press statements that purchase of 50,000 tons (233,000 bales) was being negotiated. It was pointed out that private British interests are negotiating for Brazilian cotton in an amount probably no more than 10 percent of this figure. Fifteen thousand tons (69,000 bales) of Brazilian cotton were previously received under the jet-aircraft-cotton barter agreement.

Imports of cotton into the United Kingdom during August-May 1952-53 totaled about 1,029,000 bales (of 500 pounds gross), including 336,000 from the United States, 92,000 from British East Africa, 89,000 from Pakistan and India, 79,000 from Argentina, 75,000 from the Anglo-Egyptian Sudan, 71,000 from Nigeria, 53,000 from Mexico, and 48,000 from Egypt.

1/ Partly based on reports by William Kling, Assistant Agricultural Attache, and Kathleen M. Greaves, American Embassy, London.

Consumption during the same 10-month period amounted to nearly 1.3 million bales, thus reducing stocks by nearly 300,000 bales. Stocks on August 1, 1952, were previously reported at 1,282,000 bales. The reduction in stocks may be attributed in part to gradual liquidation of Raw Cotton Commission stocks as the cotton import trade is being returned to private interests.

Prices at which stocks in possession of the Commission were offered for sale were raised by 1/2d. (0.59 cent) for Peruvian Tanguis on June 16 and by 1/4d. (0.29) for all growths and qualities on July 7. Prices announced by the Commission as of July 25 in pence and cents a pound are as follows:

<u>Growth</u>	<u>Pence</u>	<u>Cents</u>
American Middling 15/16-inch.....	32.25	37.84
Pakistan Punjab-American (Symbol FFM)....	28.50	33.44
Egyptian Ashmouni (Symbol SWAN).....	33.50	39.30
Egyptian Karnak (Symbol KOKO).....	43.05	50.51
Sao Paulo (Brazil) Type 5		
(Middling) T staple 31/32-inch.....	29.55	34.67
W staple 1-inch.....	29.75	34.90
S staple 1-1/32-inch.....	30.15	35.37
Viscose rayon staple fiber.....	1/27.00	31.68

1. In effect since February 1952 until July 1, 1953, when the principal producer announced a reduction to 24 pence (28.16 cents).

According to London press reports the Board of Trade announced on July 30 that the government had rejected a proposal of the Cotton Import Review Committee that facilities be provided to permit British mills and merchants to utilize the New York Cotton Exchange for hedging transactions.

NIGERIA'S 1952-53 PEANUT CROP AT NEW HIGH; PAIM OILS UP

Buying of the Nigeria and British Cameroons' 1952-53 peanut crop by the Nigeria Groundnut Marketing Board is now complete. It shows a crop of about 432,400 short tons, even greater than the record 476,660 tons produced in 1951-52, reports the American Consulate General, Lagos. Shipment of the nuts to shipping points continues slow, with 352,300 tons of the 1952-53 crop and 15,680 tons of the preceding crop still stored in the buying areas. Favorable rains indicate that the 1953-54 peanut crop may equal that of 1952-53.

Palm kernel production in 1953 is estimated near 450,000 tons against some 419,000 tons last year. Although actual production is not known, local authorities consider exports to comprise almost all of the kernels produced. Production of palm oils this year is forecast at 216,000 tons against 187,360 tons in 1952. Sesame and soybean output from 1952-53 crops was estimated at 15,440 and 4,350 tons, respectively, against 11,630 and 9,000 tons in the previous season. It is estimated that the 1952-53 cottonseed crop will total 38,500 tons of which about 22,600 tons will be available for export. There has been no significant production, for export, of sunflower seeds in the past 2 seasons.

Exports of principal vegetable oils and oil bearing materials from Nigeria in 1952 were as follows: palm oil - 187,363 tons; peanut oil - 11,123; peanuts (shelled) - 291,697; palm kernels - 419,063; shea nuts - 16,643; sesame seed - 15,079; cottonseed - 10,228; and copra - 4,026 tons.

Stocks of palm oil at the end of the 1952 season included 8,421 tons of technical grade oil, 2,023 tons of special grade oil, and 1,355 tons of plantation oil. Graded stocks of palm kernels held by Licensed Buying Agents at the same time totaled 51,670 tons. Cottonseed stocks held by the Marketing Board on October 31, 1952, were 29,756.

COTTON ACREAGE INCREASED IN INDIA

The 1953-54 cotton acreage (planting nearly completed) in India is forecast by private sources at 16.5 to 17.0 million acres or 5 percent above last year's 16.0 million acres, according to a report from V. Krishnamurthy, American Consulate General, Bombay.

The monsoon began about the middle of June (a week later than normal) and growing conditions have been satisfactory to date in practically all major cotton growing areas. The Government encouraged greater cotton production this year but placed emphasis on intensive cultivation methods and use of improved seed rather than on acreage expansion. An appreciable shift from cultivation of Asiatic varieties (Bengals mostly) to American varieties was reported from Punjab and Pepsu.

Mill consumption reported at 2,713,000 bales (of 500 pounds gross) for August-April 1952-53 was 12 percent above the 2,427,000 bales consumed during a corresponding period a year ago. Consumption of imported cotton during the first 9 months of 1952-53 amounted to 540,000 bales (including 304,000 bales of United States cotton), compared with 674,000 bales (including 360,000 of American) a year ago. Consumption by cottage industries (not included above) is usually estimated at 220,000 bales annually.

This high level of mill operation has made it possible for the Government to remove all controls on prices and distribution of cotton cloth and yarn as of July 10, 1953. This decontrol action was taken on an experimental basis and the situation will be watched for possible necessity for reimposition of controls. Price and distribution controls on cloth have been progressively moderated since October 1952 but those on yarn were maintained in order to insure adequate supplies to the hand-loom industry.

Price and other controls on raw cotton were not removed. Stocks are reported to be adequate now but are expected to be low before the new crop is harvested. Prices are currently below the ceilings maintained by the Government and no decision on possible removal of controls is expected until there is a clearer indication of the size of the 1953-54 crop.

Imports of cotton into India during August-June 1952-53 totaled 495,000 bales (of 500 pounds), compared with 981,000 during a similar period a year ago. The principal sources in 1952-53 were British East Africa 182,000 bales, Egypt 180,000, United States 77,000, Anglo-Egyptian Sudan 50,000 and Peru 4,000. Reduced imports this year may be attributed mainly to abnormally heavy imports and a large crop in 1951-52 that resulted in a build-up of stocks at the end of last season. Imports in 1953-54 should be considerably higher than those of 1952-53, based on continuation of a high rate of mill consumption, expected low end-season stocks, and no large increase in production.

Import licenses for cotton of not less than 1-1/16 inches in staple length from nondollar sources will be issued freely during July 1 to December 31, 1953, according to an announcement by the Ministry of Commerce and Industry on June 26.

Exports of cotton during August-June 1952-53 totaled 282,000 bales compared with 83,000 a year ago. The principal destinations in 1952-53 were Japan 141,000 bales, United States 34,000, Netherlands 18,000, France 17,000, Belgium 17,000, Western Germany 17,000, United Kingdom 16,000, and Italy 13,000. Increased exports this year may be attributed to a sharp reduction in export taxes and prices, issuance of export allocations much earlier in the 1952-53 season than in 1951-52, release of additional varieties of cotton from export control, and the existence of a large overall supply of cotton in India early in 1952-53. Exports are limited by the Government to specified Asiatic varieties produced in quantities greater than local mills require.

A notification dated June 27, 1953, states that export licenses already issued but not used by June 30 will not be extended. The varieties subject to quota restrictions are Bengal desi, Oomra desi, C.P.I., C.P.II., Mathia, Dhollera, and Kalgin. A substantial portion of the quotas for all except Bengal desi have not been used. Exports of Coconada after July 1, 1953, are again subject to export restriction after a period without controls. Exports of Assam/Comilla, Zoda cotton and yellow pickings will continue without restriction until September 30, 1953.

